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Jesse Jackson A Libyan Oil Agent, CIA Report Says

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WASHINGTON — The Rev. Jesse Jackson, the Chicago-based black civil rights leader, was identified as a special Libyan oil broker along with Billy Carter in a highly classified message secretly passed from Central Intelligence Agency Director Stansfield Turner to President Carter's security adviser Zbigniew Brzezinski last March 31, The Atlanta Constitution has learned from informed sources close to the Senate investigation of President Carter's brother.

Reached Tuesday night in Florence, S.C., where he was speaking at the Trinity Baptist Church for President Carter's re-election, Jackson denied being an agent of Libya, but said he

had written to the Libyan embassy in Washington in behalf of "a black (owned) oil company. The Wallace Co., in Tuskegee, Ala."

Jackson said he "would accept no financial deal from Libya and none has been offered."

While Jackson denied entering into any such deal, he said he had "sent several letters" to the Libyan government in support of "opening trade routes between that country and black America."

A copy of the secret CIA document has been made available to members of the Senate Intelligence Committee and the special Judiciary subcommittee investigating Billy Carter's private dealings with the radical Libyan government of military strongman Moammar Khadafy.

Besides naming Billy Carter and Jesse Jackson, the document, considered by the White House to be super-sensitive, also mentioned a national agriculture lobbying force known as "The Farmers Union" as a Libyan-blessed broker of crude oil from that nation.

Spokesmen for the Farmers Union — also known as the National Farmers Union and as the Farmers' Educational & Cooperative Union of America — immediately denied any connection with Libya.

Reuben L. Johnson, the Washington-based director of legislative services for the old-line Denver co-op, labeled any connection made between his group and Libya as "ludicrous."

Instead, it was another group, the large and politically conservative American Farm Bureau Federation, which had active negotiations under way with Libya in 1979.

Allan Grant, a wealthy Visalia, Calif., farmer-rancher, was president of the federation in 1979, a year in which he made two separate trips to Libya.

Reached Tuesday night in Ottawa, Canada, Grant told The Constitution that he "wouldn't be surprised" if the CIA considered his group to be an agent of the Khadafy government.

Grant strongly denied that any official of that government ever talked to him about brokering Libyan crude oil in the United States.

But after he visited Tripoli in early May 1979, Grant was reported by "The Farm Bureau News," official weekly organ of the federation, as saying that his organization "has

begun direct trade negotiations with Libya which... could include arrangements for crude oil to be handled by farm cooperative refineries."

"This is not an attempt to reach agreement to trade a bushel of wheat or any other grain for a barrel of oil," Grant said. "We are talking about a number of separate possibilities — about the direct purchase of oil for farm needs and about selling high quality grains at market prices."

While in Libya, Grant had his picture taken with high-ranking officials of that North African government, and with Khadafy's brother-in-law.

Grant said Tuesday night in Canada that he had soured on Libya as a trade partner.

"I don't like their external politics at all," he said.

Jesse Jackson made no such assessment of Libya. He stressed that black American muslims "started dealing with the Libyans about five years ago, before becoming interested in relationships with most other Arab countries."

"Our relations with those countries have been a matter of peace," Jackson said. "We have been challenging them to open up trade routes with black America."

Jackson has made trips to the Arab world in 1979 and 1980 to pursue those goals, but he said he had not visited Libya, "although I have been invited there several times."

Jackson said he has never met or talked with Billy Carter or Carter's business associate in Libyan negotiations, Henry R. "Randy" Coleman of Plains.

The black social reformer who heads PUSH (People United to Save Humanity) said he has talked several times with Ali Houdari, Libya's highest ranking diplomat in America.

Jackson said he has talked with Houdari in Washington, "two-three times at the Libyan embassy," and has met with Houdari in Chicago, where the diplomat spoke last December in behalf of PUSH.

It was last December that Billy Carter received \$20,000 from Libya in what he since has described as "an advance on a loan." And it was last December, according to a little-noticed published account in the Jan. 17, 1980, issue of Newsweek, that President Carter reportedly headed off an intended military strike into Libya by Egypt.

It had been "a long-planned move" by Egypt's Anwar Sadat, according to Newsweek, and President Carter intervened "either directly or indirectly" to keep the rift from widening between Cairo and the rest of the Arab world, while the president's Camp David accords between Israel and Egypt were struggling to blossom.

The Senate subcommittee investigating Billy Carter has received a sworn deposition from an unidentified witness who has said that Ahmed Shahati made a special gift to a black Muslim church in Atlanta early in 1979.

Shahati is Libya's foreign minister and he headed that country's delegation to Georgia, hosted by President Carter's brother. According to the witness, at one point Shahati ordered an aide to withdraw \$25,000 from a satchel to pay for the special gift to the black church.

Jesse Jackson said he was not aware of that episode.

Both Jackson and Grant said they had not talked at any time with anyone from Charter Oil Co., the Florida firm which entered into negotiations through Billy Carter to purchase excess allotments of Libyan crude oil.